

IN THE MATTER OF:

MALORY INVESTMENTS, L.L.C. (CRD # 110936),  
RONALD STEIN (CRD # 434761),  
STEPHEN STRAUSS (CRD #4446296),  
KENNETH EUGENE ZELLMER, JR. (CRD #476238),  
SEAN ZARINEGAR (CRD #2244373),  
    (aka Bejahn Zarinegar)  
CAPITAL GUARDIAN, INC.,  
BLAKE WILLIAM WILSON (CRD #1390808),  
    (aka Arnold Kramer,  
    Arnold Cramer,  
    Irv Kranberg), and  
CHRISTINE FENN  
    (aka Christine Ann Gilbert),

RESPONDENTS.

File Number: 07-00319

TO THE RESPONDENT: Christine Fenn  
155 East El Roblar Drive  
Ojai, CA 93023

WHEREAS, by means of the Stipulation, Respondent Fenn has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated July 6, 2007, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, Respondent Fenn has acknowledged that the following Findings of Fact are intended to be a final determination of the issues.

WHEREAS, by means of the Stipulation, Respondent Fenn has acknowledged that the following shall be adopted as the Secretary of State's Findings of Fact, and has neither admitted nor denied the truth thereof:

**FACTS COMMON TO ALL COUNTS**

1. From October 11, 2005 until December 31, 2006, Malory Investments, L.L.C., Central Registration Depository ("CRD") #110936, was a registered securities dealer in the state of Illinois pursuant to the Act with a current business address of 10937 Wilkins Avenue, #304, Los Angeles, CA 90024.
2. Ronald Stein (CRD# 434761), is the reported "owner" (75%+ ownership) of Malory. From October 11, 2005 until December 31, 2006, Stein was a registered securities agent in the state of Illinois. CRD records indicate that Stein holds series 1, 27, 40, and 63 designations.
3. Capital Guardian, Inc. ("CGI") had a business address of 155 East El Roblar Drive, Ojai, CA 93023. CGI is self-described as a third party Broker-Dealer and issuer compliance company.
4. Blake William Wilson (AKA Arnold Kramer, Arnold Cramer, and Irv Kranberg) (CRD # 1390808) is the owner of CGI. He has a last known business address of 155 East El Roblar Drive, Ojai, CA 93023 and a last known home address of 419 Tico Blvd., Ojai, CA. 93023.
5. Christine Fenn (aka Christine Ann Gilbert) ("Fenn") was an employee of CGI and is the administrator/administrative assistant for Malory.

6. Malory received \$2,000 per private placement offering ("PPO") for which it was the Broker-Dealer of record. In many instances, CGI collected this amount from the issuer and forwarded it to Malory. CGI, acting by and through Wilson, negotiated the Broker-Dealer agreements for Malory with respect to these PPO's.
7. Respondent Fenn was responsible for filing the Form Ds for numerous Regulation D exempt offerings which listed Malory as the Broker-Dealer of record.
8. Fenn, acting at the direction of CGI, conducted several activities on behalf of Malory. Fenn received no compensation from Malory for these activities, but rather was compensated by CGI.

#### **VIOLATIONS OF THE ILLINOIS SECURITIES ACT**

9. Section 12.E of the Act states, *inter alia*, that it shall be a violation of the provisions of the Act for any person to make, or cause to be made, in any application, report or document filed under the Act or any rule or regulation made by the Secretary of State pursuant to the Act, any statement which was false or misleading with respect to any material fact. Respondents violated Section 12.E of the Act, in that:
  - A. Respondent Fenn filed a Broker-Dealer application for Malory that failed to disclose the true address for Malory.
  - B. Respondent Fenn filed notice filings with the Illinois Securities Department which claimed that Respondent Malory was an associated Broker/Dealer of certain offerings, when Fenn should have known that Malory was not acting as a broker dealer in these offerings.

WHEREAS, by means of the Stipulation, Respondent Fenn acknowledges that the following shall be adopted as the Secretary of State's Conclusion of Law:

1. By virtue of the foregoing, Respondent violated Sections 12.E of the Act.

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2. By virtue of the foregoing violations of sub-sections Section 12.E of the Act, Respondent Christine Fenn is permanently prohibited from:
  - a) offering or selling any securities in or from the State of Illinois pursuant to Section 11.E(2) of the Act.
  - b) engaging in the business of offering investment advice in or from the State of Illinois.

WHEREAS, by means of the Stipulation, Respondent Fenn has acknowledged and agreed that she shall be permanently prohibited from offering or selling any securities in or from the State of Illinois.

WHEREAS, by means of the Stipulation, Respondent Fenn has acknowledged and agreed that she shall be permanently prohibited from engaging in the business of offering investment advice in or from the State of Illinois.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the formal hearing as it relates to Respondent Fenn may be dismissed.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Respondent Christine Fenn is permanently prohibited from offering or selling securities either from the State of Illinois or to Illinois residents.
2. Respondent Christine Fenn is permanently prohibited from securing any position of management or control (either directly or indirectly) of any entity engaged in the offer or sale of securities either from the State of Illinois or to Illinois residents.
3. Respondent Christine Fenn is permanently prohibited from securing any position of employment, management, or control (either directly or indirectly) of any entity engaged in the business of a Broker-Dealer either from the State of Illinois or providing brokerage services to Illinois residents.
4. Respondent Christine Fenn is permanently prohibited from engaging in the business of offering investment advice from the State of Illinois or to Illinois residents.

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5. Respondent Christine Fenn is permanently prohibited from securing any position of employment, management, or control (either directly or indirectly) of any entity engaged in the business of an Investment Adviser either from the State of Illinois or engaged in providing investment advice to Illinois residents.
6. Respondent Christine Fenn is permanently prohibited from securing any position of officer, director, partner, or any position performing similar functions, of any issuer engaged in the offer of securities either from the State of Illinois or to Illinois residents.
7. Respondent Christine Fenn is permanently prohibited from issuing, engaging in the business of selling, negotiating for the sale of, or otherwise in any way dealing or participating, with respect to the public or to other persons, offering, selling, arranging for the sale, employing, directly or indirectly, any device, scheme, or artifice in connection with the offer, purchase, or sale of any security, aiding and abetting any other persons or business engaged in the purchase or sale of a security, or otherwise dealing or participating with any securities either from the State of Illinois or to Illinois residents.
8. The Notice of Hearing dated July 7, 2007, as it relates to Respondent Christine Fenn will be dismissed without further proceedings. The Department will retain the right to vacate this Order should any provision herein be violated.



JESSE WHITE  
Secretary of State  
State of Illinois

Dated: February 11, 2010.

Attorney for the Illinois Secretary of State:  
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